

HOUSE BILL NO. 203

IN THE LEGISLATURE OF THE STATE OF ALASKA

THIRTY-THIRD LEGISLATURE - FIRST SESSION

BY REPRESENTATIVES SUMNER, McKay, Prax, Wright, Baker, Schrage, Coulombe, McCabe, Tomaszewski

Introduced: 5/16/23

Referred: Labor and Commerce

A BILL

FOR AN ACT ENTITLED

1 **"An Act relating to wage payments."**

2 **BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:**

3 * **Section 1.** AS 23.10.040(a) is amended to read:

4 (a) Except as otherwise provided by AS 23.10.044 and AS 37.25.050, an
5 employer of labor performing services in this state shall pay the wages or other
6 compensation for the services with lawful money of the United States or with
7 negotiable checks, drafts, or orders payable upon presentation without discount by a
8 bank or depository inside the state.

9 * **Sec. 2.** AS 23.10 is amended by adding a new section to read:

10 **Sec. 23.10.044. Wage payment by credit to a payroll card account.** (a) An
11 employer may credit employee wages to a payroll card account if an employee has
12 voluntarily authorized the credit or the employee has not authorized deposit of the
13 employee's wages under AS 23.10.043.

14 (b) An employer paying an employee's wages by credit to a payroll card
15 account shall notify the employee

- 1 (1) of the employee's wage payment options;
- 2 (2) of the payroll card terms and conditions, including a list of fees
3 assessed by the payroll card issuer;
- 4 (3) of a cost-free method for the employee to access wages credited to
5 the payroll card account;
- 6 (4) of a cost-free method for the employee to check the payroll card
7 account balance; and
- 8 (5) that, in addition to fees assessed by the card issuer, the card may be
9 subject to additional fees.

10 (c) A payroll card account must provide an employee

- 11 (1) at least one cost-free withdrawal each week or pay period,
12 whichever is longer, in an amount up to the amount of the employee's net wages;
- 13 (2) an unlimited cost-free mechanism to check the payroll card account
14 balance through an automated telephone system and an additional unlimited cost-free
15 electronic mechanism to check payroll card account balances.

16 (d) An employer may not offer a payroll card account that charges fees for

- 17 (1) employee application for, initiation of, or participation in the
18 payroll card account;
- 19 (2) issuance of an employee's initial payroll card and one replacement
20 card each calendar year;
- 21 (3) transfer of employee wages or other compensation from the
22 employer to the payroll card account;
- 23 (4) point-of-sale purchase transactions.

24 (e) An employer may not offer a payroll card account unless employee wages
25 or other forms of compensation credited to the account are insured on a pass-through
26 basis to the employee by the Federal Deposit Insurance Corporation, the National
27 Credit Union Administration, or another entity that insures bank deposits.

28 (f) This section does not limit the right of employees to bargain collectively
29 through representatives of their own choosing to establish mechanisms for payment of
30 wages in excess of the minimum requirements of this section.

31 (g) In this section,

1 (1) "payroll card" means a card or other device used by an employee to
2 access the employee's wages from a payroll card account;

3 (2) "payroll card account" means an employee's account established
4 through an employer to which the employer transfers the employee's wages or other
5 compensation.